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REPORT NO.

INFORMATION REPORT

DATE DISTR. 30 March 1949

NO. OF PAGES 2

NO. OF ENCLS.
(LISTED BELOW)

38290

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SUPPLEMENT TO
REPORT NO.

25X1X

§ 87(2)(b) 5X1X

1. In the vice-presidential election to be held during the week of 29 March the main contest will be between the CC Clique and LI Tsung-jen, commander of Peiping Headquarters. Indications are that the CC Clique, in order to weaken LI Tsung-jen's position, will encourage the nomination of many candidates, including, it is reported, that of HO Ying-chin, representative to the United Nations, who is being returned to China and entered as a candidate to reduce LI's military support.
2. In a press release considered an ultimatum, LI Tsung-jen, who openly dislikes the Generalissimo, requested the latter to pick him for the vice-presidency, declaring that he would win if the election were conducted fairly and saying that he would take the fight to the people if he were defeated. The Generalissimo has not authorized LI to seek the nomination.
3. It is believed that if LI is successful (? is elected), the Generalissimo will be forced to resign, or be killed. If LI is defeated, he will fight (politically ? militarily ?) and perhaps join LI Chi-shen in Hongkong. LI reportedly dreams of being emperor of China.
4. LI Tsung-jen is supported by some military factions, labor, and independents. He is openly supported by the Mayor of Shanghai and will possibly have the support of YU Yueh-sheng. Secretly, LI is backed by T. V. SOONG, who will save the family fortunes if LI is successful.
5. The CC-dominated labor group in Shanghai, which until last week (? week of 15 March) supported YU Yu-jen, has shifted secretly to LI, apparently because of the inability of the government to give economic relief, to prevent the removal of industries to Hongkong, and to ease import restrictions. (After this shift ?) labor leaders secretly planned to strike during the elections in order to show the government they (the government ? the labor leaders ?) could not control the situation and thus throw the election to LI.
6. As a result of the recent arrests, labor leaders are now attempting to prevent possible strikes, but feel that a strike may start in the communist-controlled districts and spread quickly among agitated workers.

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7. Other outstanding candidates and their supporters are:

CHENG Chien, commander of Hankow Headquarters -- supported by
YANG Hu of the Seamen's Union and the Hung Men Hui,
which, in turn, is said to be supported by the
Shanghai Garrison Commander.

CHU Cheng, of the Judicial Yuan -- supported by Hupeh Province
and independents.

SUN Fo -- supported by the Political Science Group.

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